

ORIGINAL



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MEMORANDUM

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TO: Docket Control  
Arizona Corporation Commission

FROM: Ernest G. Johnson  
Director  
Utilities Division

Date: December 21, 2005

RE: REVISED STAFF REPORT FOR PAYSON WATER COMPANY GERONIMO  
SYSTEM – WHISPERING PINES FIRE DISTRICT REQUEST FOR  
VARIANCE TO MORATORIUM ON NEW SERVICE CONNECTIONS  
(DOCKET NO. W-03514A-05-0729)

Per the Procedural Order issued November 7, 2005, attached is the Revised Staff Report for the Whispering Pines Fire District application for a variance to the moratorium on new service connections to the Payson Water Company – Geronimo System. Staff is recommending approval.

EGJ:SMO:red

Originator: Steven M. Olea

Attachment: Original and 13 Copies

AZ CORP COMMISSION  
DOCUMENT CONTROL

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**REVISED STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION**

**PAYSON WATER CO., INC.  
GERONIMO SYSTEM  
DOCKET NO. W-03514A-05-0729**

**APPLICATION BY WHISPERING PINES FIRE DISTRICT  
FOR VARIANCE FROM  
DECISION NO. 67747  
REGARDING MORATORIUM**

**DECEMBER 21, 2005**

**EXECUTIVE SUMMARY  
PAYSON WATER CO., INC.  
GERONIMO SYSTEM  
DOCKET NO. W-03514A-05-0729**

Staff recommends that the Payson Water Co., Inc. – Geronimo System (“Geronimo”) be required to connect the Whispering Pines Fire District (“District”) with a 5/8”x3/4” meter within ten days of a decision in this matter. The District should be restricted to using water for only those purposes outlined in its request and as quoted herein.

Staff further recommends that if the Commission wishes to allow further connections (in addition to the District) to the Geronimo system, that it allow four to eight additional 5/8”x3/4” metered connections. These further connections shall be provided a meter by Geronimo on a first-come first-served basis. The applicants for these further connections should be required to provide a Gila County Building Permit (“Permit”) to Geronimo within 45 days of a meter being placed on the property. The Permit must be for a permanent residential dwelling unit, i.e., not just for a garage, shed, temporary structure, etc. If the Permit is not provided within the 45 day time frame, Geronimo shall remove the meter from the property and the applicant shall be required to reapply to Geronimo for service if water service is still desired.

Staff further recommends that Geronimo be ordered to immediately begin searching for new water sources.

## STAFF ACKNOWLEDGEMENT

The Staff Report Payson Water Co., Inc. – Geronimo System, Docket No. W-03514A-05-0729, was the responsibility of Steven M. Olea.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name 'Steven M. Olea'.

Steven M. Olea  
Assistant Director

## **Introduction**

On October 19, 2005, the Whispering Pines Fire District (“District”) filed a request for a variance to the meter moratorium that has been imposed by the Arizona Corporation Commission (“Commission”) on the Payson Water Co., Inc. – Geronimo System (“Geronimo”). The District indicates that it does not need this service connection to supply typical uses. Specifically, the District indicates that it needs a meter “installed to supply a regular hose bib ... to be able to hose off steps of fire trucks (to avoid slip injuries) and to be able to wash hazardous chemicals and blood off our professional firefighters after they make emergency medical calls. We are not requesting water to fight fires or to refill our tender trucks, just seeking to protect our staff and equipment that frequently responds in snow, mud, and serious medical situations.”

## **Background**

The Commission originally imposed the moratorium in Decision No. 52454 (September 18, 1981). The moratorium was modified in Decision No. 57584 (October 11, 1991). In Decision No. 67747 the Commission again modified the moratorium by allowing one additional meter at Lot 59A in Geronimo Estates. In addition, this decision required Geronimo to conduct a system monitoring exercise for 12 months to determine if the moratorium should be further modified (i.e., allow more connections to the system or remove the moratorium all together).

## **Discussion**

On November 21, 2005, Staff submitted its original Staff Report for the instant Docket. However, almost immediately after that Staff Report was docketed, Staff learned that the customer count information submitted by Geronimo was incorrect. Due to this incorrect information, Staff conducted an on-site visit with Geronimo to personally confirm the number of connections on the water system. During this on-site visit on November 26, 2005, Staff found that there are 83 connections on the water system (70 in Geronimo Estates and 13 in Elusive Acres).

Of the 70 connections in Geronimo Estates, two have had their meters pulled and two are inactive, for a total of 66 active meters. In Elusive Acres, two meters have no usage for a total of 11 active meters. The properties with the six inactive connections have no buildings/structures on them. Therefore, the Geronimo system has 77 active meters.

To date, Geronimo has now submitted eight months worth of data for the system monitoring exercise. The latest exercise data, submitted December 13, 2005, remains inconsistent due to a new sonic measuring device being used to determine the static water level in the wells and because new well-head meters were installed (on July 20, 2005). However, in using the worst case scenario for the water use data, it is Staff’s opinion that the 77 active connections have a peak use of approximately 0.17 gallons per minute (“gpm”) each. This would equate to a total peak use demand of 13.31 gpm for all 77 connections. The well production data submitted by Geronimo indicates that the production from the two wells is

approximately 16 gpm. This analysis would indicate that the system could serve approximately 92 connections (16 gpm/0.17 gpm per connection = 80).

It should be noted that during a field visit to the water system on October 28, 2005, Staff witnessed the wells pumping at a combined rate of almost 24 gpm. However, based on the past history of this water system, Staff does not believe that this pumping rate can be sustained for a prolonged period of time, especially in the summer.

In a previous Staff Report (dated November 15, 2005) and as discussed in Decision No. 67747, Staff determined, based on the data available at that time, that it appeared that the Geronimo system could serve approximately 88 connections.

### **Conclusions**

Based on the above, Staff believes there are several options available to the Commission:

1. Keep the total moratorium and allow no more than the existing 83 connections until Geronimo finds an additional reliable water source(s).
2. Allow up to 88 total connections as stated in the November 15, 2005 Staff Report, while assuming that the six inactive connections could become active at anytime, thereby allowing five more 5/8"x3/4" connections to the water system.
3. Allow up to 88 active connections while assuming that the six inactive connections will not become active any time soon due to no building on these six properties, thereby allowing eleven more active 5/8"x3/4" connections to the water system.
4. Allow up to 92 total connections to the system while assuming that the six inactive connections could become active at anytime, thereby allowing nine more 5/8"x3/4" connections to the water system.
5. Allow up to 92 active connections to the system while assuming that the six inactive connections will not become active any time soon, thereby allowing fifteen more 5/8"x3/4" connections to the water system.

### **Recommendations**

It is Staff's opinion that the meter request by the District should be granted with the condition that that District use water for only the uses outlined in its request and as quoted above. In addition, it continues to be Staff's opinion that at least 12 months of consistent water system data is needed (as ordered in Decision No. 67747) before a final decision on the moratorium is made.

It is also Staff's opinion that if the Commission wishes to allow further connections (in addition to the District) to the Geronimo system, that the system could support either Option No. 2 or Option No. 4 above. The choice would depend on how conservatively the Commission desires to approach the situation. For Option No. 2, this would allow the connection of the

District plus four additional connections. For Option No. 4, this would allow the connection of the District plus eight additional connections. Staff would recommend that the Fire District be connected to the Geronimo system prior to any other new connections being made.

Staff would further recommend that any new connections to the system, beyond that of the District, be made on a first-come first-served basis. In addition, the applicant for service should be required to provide a Gila County Building Permit ("Permit") to Geronimo within 45 days of a meter being placed on the property. The Permit must be for a permanent residential dwelling unit, i.e., not just for a garage, shed, temporary structure, etc. If the Permit is not provided within the 45 day time frame, Geronimo shall remove the meter from the property and the applicant shall be required to reapply to Geronimo for service.

In addition, Staff would recommend that Geronimo be ordered to immediately begin searching for new water sources. In discussions with the District (specifically Mr. Harry D. Jones), the District identified two possible water sources for Geronimo. According to Mr. Jones, each source is approximately 2 miles from Geronimo. The sources identified are the Camp Geronimo Boy Scout Camp and Bray Creek Ranch. Staff has been informed that if Geronimo is not interested, willing or able to search for new water sources, the Geronimo Estates Property Owners' Association Group may be interested in purchasing Geronimo from Payson Water Co., Inc.